

## INCOME

### KEESM 6400

In previous trainings you learned the basics about income in regards to LTC medical cases. The following is an outline of topics discussed.

- Exempt Income
- Income Types
  - ▶ Regular
  - ▶ Irregular
  - ▶ Intermittent
  - ▶ Self-Employment
- Income Budgeting
- Income Disregards
  - ▶ MS disregards
  - ▶ Self-Employment
  - ▶ Blind Work Expenses
  - ▶ Impairment Related Work Expenses

**REMEMBER AT APPLICATIONS, REVIEWS AND WHEN A CONSUMER REPORTS EMPLOYMENT TO ALLOW BWE AND IRWE DISREGARDS IF APPLICABLE!!!!**



## Self Employment Unearned Income Example

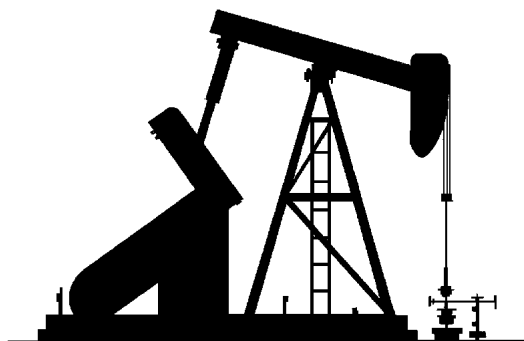
**Example:** Nancy Fancy resides at Pretty Patches Nursing Home. She receives oil royalties from the production of an oil well in Western Kansas. Based on her 2007 tax return she received \$267 from the production of the oil well and paid \$25.42 in taxes.

Since the 25% disregard is greater than taxes paid this amount will be subtracted from her earnings.  $(\$267 - \$66.75 \text{ (25\% disregard)}) = \$200.25$  (KEESM 7122.1)

A 12 month average is calculated as the tax return reflected a full year of earnings. (Divide \$200.25 by 12 months = \$16.73 monthly oil royalty earnings).

UNIN				UNEARNED INCOME			BUDGET METHOD: M		
				MEDICAL			MONTH: 0608		
CASE NAME: FANCY, NANCY				CASE NUMBER: 00011891					
NAME	REL	TY	SUB	MEDICAL DIVISOR	FREQ PAID	NC LS	AMOUNT	VR	PEND
01 NANCY	PI	IR	...		MO	.	16.73	HC	....
		...	...	.	....	.	.....	...	....

Be sure to document how you determined the oil royalty amount.



**BWE Disregard Example:** Ethel is an ongoing Medicaid consumer who receives services through the HCBS/PD waiver. Ethel works for USD 501 school district in the lunch room. She is able to work in the mornings and come home in the afternoons to rest. Even though Ethel is blind, she tries to remain independent. Before the BWE disregard, the downside to working was that Ethel's HCBS obligation would increase for 9 months while she was employed during the school year. The BWE disregard allows Ethel to keep more of her earnings.

At review, it is verified and determined that her monthly converted representative earned income is \$451.50. Based on her pay stubs you average that her federal, state, and local income taxes average \$89 monthly. Ethel also states that she has monthly transportation costs to and from work of \$100.00. \_\_\_\_\_

**STEP 1** The earned income amount is not entered on the EAIN screen. Instead, the SEEI screen for the medical budget is completed by entering the 'BW' code as the income type.

SEEI 14:27	SELF EMPLOYMENT / INTERMITTENT INCOME										030108	
MEDICAL										BUDGET METHOD: M	WORKER NAME	
CASE NAME: JONES, Ethel										CASE NUMBER: 00011742	MONTH: 0408	
NEW DEN										-----MONTHLY-----		
NAME	REL	EMP	CODE	TYPE	NC	LS	PGM	ADJ	GROSS	HOURS	VR	PEND
01	ETHEL	J	PI	BW			CA/ME			65	HC	
MORE INCOME:				MORE CLIENTS:				NEXT-->				

**STEP 2** \_\_\_\_\_ The worker then hits "enter" and the self-employment worksheet becomes available.

**STEP 3** Ethel's total monthly income of \$451.50 is entered on the worksheet with the 'I' income type code.

**STEP 4** Ethel's work related expenses do not exceed the BWE standard of \$300.00, so the standard amount is entered as an expense with 'E' for the type code.

**STEP 5** A screen print of the worksheet is made and placed in Ethel's file.

SEEW	SELF EMPLOYMENT WORKSCREEN										050108 14:36
MEDICAL										WORKER NAME	
CASE NAME: JONES, ETHEL										CASE NUMBER: 00011742	MONTH: 0608
PERSON: ETHEL J										INCOME TYPE: BW	
AMOUNT	TYP	AMOUNT	TYP	AMOUNT	TYP	AMOUNT	TYP	AMOUNT	TYP	AMOUNT	TYP
451.50	I	300.00	E								
SHARE%: 100 CA/ME PERIOD: 1 FS PERIOD:											
TOTAL GROSS:	451.50	EXPENSES:	300.00	ADJUSTED GROSS:	151.50						
SHARE GROSS:	451.50	EXPENSES:	300.00	ADJUSTED GROSS:	151.50						
				CA/ME PRORATED :	151.50						
				FS PRORATED :							
>>>>> PLEASE PRINT SCREEN - DATA NOT SAVED <<<<<											

**IRWE Disregard Example:** Frank is 39 years old and receives services through the PD waiver. He timely reports in June that he has just gained employment with McDonalds. He is working 25 hours a week, is being paid \$5.25 an hour, and is paid every two weeks on Friday. Frank reports that he has quite a few work related expenses. He verifies that he has a service dog and the dog's food costs \$20.00 monthly, his city dog license is \$15 yearly, and to keep his dog healthy he takes him for a veterinarian visit every six months @ \$125 a visit, he cannot use public transportation and must use A&Z Medical Transport his costs are \$100.00 monthly for trips to and from work, and he also requires attendant care to help him get ready for work which runs \$250.00 monthly.

SEEI	SELF EMPLOYMENT / INTERMITTENT INCOME										050108 14:27	
	MEDICAL										BUDGET METHOD: M	WORKER NAME
CASE NAME: DOE, FRANK										CASE NUMBER: 00011445	MONTH: 0608	
NEW DEN NC										-----MONTHLY-----		
NAME	REL	EMP	CODE	TYPE	LS	PGM	ADJ GROSS	HOURS	VR	PEND		
01 FRAN D	PI			IW		CA/ME		107	HC			
MORE INCOME:					MORE CLIENTS:					NEXT-->		

**STEP 1** The worker completes the SEEI screen entering the new 'IW' code as the income type.

**STEP 2** The worker then hits "enter" and the self-employment worksheet becomes available.

**STEP 3** Since Frank hasn't received any paychecks yet, the EES worker determines a "representative" amount based on \$5.25 an hour and 25 hours a week = \$262.50 and then converts this income by multiplying by 2.15 since Frank is paid every two weeks. The total monthly income of \$564.37 is entered on the worksheet.

**STEP 4** Frank's verified work related expenses exceed the IRWE standard of \$100.00, but do not exceed his total income. The worker determines that Frank's average monthly IRWE expenses are \$392.08 (\$20 + \$1.25 + \$20.83 + \$100.00 + \$250.00) and enters this amount on the worksheet.

**STEP 5** A screen print of the worksheet is made and placed in Frank's file.

SEEW	SELF EMPLOYMENT WORKSCREEN										050108 14:36
	MEDICAL										WORKER NAME
CASE NAME: DOE, FRANK										CASE NUMBER: 00011445	MONTH: 0608
PERSON: FRAN D										INCOME TYPE: IW	
AMOUNT TYP AMOUNT TYP AMOUNT TYP AMOUNT TYP AMOUNT TYP AMOUNT TYP											
564.37 I		392.08 E									
SHARE%: 100 CA/ME PERIOD: 1 FS PERIOD:											
TOTAL GROSS: 564.37		EXPENSES: 392.08		ADJUSTED GROSS: 172.29							
SHARE GROSS: 564.37		EXPENSES: 392.08		ADJUSTED GROSS: 172.29							
CA/ME PRORATED : 172.29											
FS PRORATED :											
>>>> PLEASE PRINT SCREEN - DATA NOT SAVED <<<<<											